

**Managed Risk Medical Insurance Board
September 19, 2012, Public Session**

Board Members Present: Clifford Allenby, Chairperson
Richard Figueroa
Samuel Garrison
Ellen Wu

Ex Officio Members Present: Katie Johnson, Designee for the Secretary of the
Health and Human Services Agency
Shelley Rouillard, Designee for the Secretary of
the Business, Transportation & Housing Agency
Jack Campana, Chairman of the Healthy Families
Advisory Panel

Staff Present: Janette Casillas, Executive Director
Terresa Krum, Chief Deputy Director
Laura Rosenthal, Chief Counsel
Ernesto Sanchez, Deputy Director, Eligibility,
Enrollment & Marketing
Jeanie Esajian, Deputy Director, Legislative &
External Affairs
Ellen Badley, Deputy Director, Benefits & Quality
Monitoring
Tony Lee, Deputy Director, Administration
Loressa Hon, Manager, Administration
Amanda Evans, Manager, Administration
Morgan Staines, Senior Staff Counsel, Legal
Jenny Phillips, Staff Counsel, Legal
Larry Lucero, Manager, Eligibility,
Enrollment & Marketing
Sarah Soto-Taylor, Assistant Deputy Director,
Eligibility, Enrollment & Marketing
Carmen Fisher, Staff Services Analyst, Legal
Jamie Yang, Manager, Eligibility,
Enrollment & Marketing
Muhammad Nawaz, Manager, Benefits & Quality
Monitoring
Mary Watanabe, Manager, Benefits & Quality
Monitoring
Kanika Randall, Research Analyst
Maria Angel, Executive Assistant to the Board
and the Executive Director
Kim White, Board Assistant

Presenter: Anjonette Dillard, CA Health Benefit Exchange

Public:

Autumn Ogden, Policy Coordinator, CCHI, United Way
Hellan Roth Dowden, Project Manager, Teachers for
Healthy Kids

Serena Kirk, Children's Defense Fund

Diane Van Maren, Health Policy Consultant, Senator
Darrell Steinberg

Kelly Hardy, Director, Health Policy, Children Now

Elizabeth Abbott, Director of Administrative Advocacy,
HealthAccess

Chairman Allenby called the meeting to order at 10 a.m. The Board went into Executive Session and resumed public session at 11:30 a.m.

REVIEW AND APPROVAL OF JULY 18, 2012 PUBLIC SESSION

The minutes of the July 18, 2012 public session were approved as submitted.

The July 18, 2012, Public Session Minutes are located here:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_091912/Agenda_Item_3_Public_Minutes_7_18_12.pdf

2013 BOARD MEETING CALENDAR

The 2013 Board Meeting Calendar was presented to the Board.

The 2013 Board Meeting Calendar is located at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_091912/Agenda_Item_4_2013_Board_Meeting_Schedule.pdf

FEDERAL BUDGET, LEGISLATION AND EXECUTIVE BRANCH ACTIVITY (Including Healthcare Reform & Budget)

Ms. Esajian reported on Agenda Item 5, Federal Budget, Legislation and Executive Branch Activity (Including Healthcare Reform & Budget). She explained two items of interest in the packet.

Chairman Allenby asked if there were any questions or comments from the Board or the audience. There were none.

The documents on the Federal Budget, Legislation, et al., can be found at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_091912/Agenda_Item%205_Federal_Budget_Legislation_and_Exec_Br.pdf

STATE BUDGET UPDATE

Tony Lee reported on Agenda Item 6, State Budget Update. The 2012-2013 State Budget assumed MRMIb's budget would include \$183 million from the MCO or Managed Care Organization tax. However, the Legislature failed to pass any of three bills introduced to extend the tax to July 1, 2014. These bills were AB1469, AB 826 and SB 301. The latter two also would have reversed the transition of Healthy Families Program subscribers to Medi-Cal. These three bills died at the end of Session. Additional General Funds are needed to cover the shortfall in MRMIb's budget or the state jeopardizes \$340 million in federal matching dollars and possibly triggers an MOE (Maintenance of Effort) violation.

Chairman Allenby asked if there were any questions or comments from the Board or the audience. There were none.

TRANSITION OF HEALTHY FAMILIES SUBSCRIBERS TO THE MEDI-CAL PROGRAM

August 15, 2012 Public Forum Summary & Handouts

Ms. Casillas reported on Agenda Item 7.a, the August 15, 2012 Public Forum Summary & Handouts. Ms. Casillas indicated that the Board packet included materials presented at the Public Forum for comment and discussion. The materials included a letter and flier in English and Spanish developed by Children Now to advise families that HFP is still open for business and enrolling children. The letter and flier also explain that the transition, which will take place as a result of a law change, will not happen until next year. The materials are posted on the MRMIB website.

Ms. Casillas presented several documents to the Board. The most recent version of the What We Need to Tell Families Grid will continue to evolve over time. It lists the 30-, 60- and 90-day notice. A general notice is currently in development. She also presented a Stakeholder Engagement Timeline developed by Agency, MRMIB, DHCS and DMHC, and a document developed by Hellan Roth Dowden of Teachers for Healthy Kids that highlighted concerns on dental services and provided a county-by-county comparison of HFP and Medi-Cal.

The following organizations made public comments: United Way, Children Now, Teachers for Healthy Kids, the California Dental Association, the California Mental Health Directors Association, the County of Los Angeles Public Health Department, Community Health Councils, University of California at Berkeley and the California State Rural Health Association.

The Board's packet also included a summary of testimony highlights from the Public Forum

The August 15, 2012 Public Forum Summary & Handouts can be found here:

[http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_091912/Agenda_Item_7_a%20 8 15 12 Public Forum Summary Public Forum Handouts.pdf](http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_091912/Agenda_Item_7_a%208_15_12_Public_Forum_Summary_Public_Forum_Handouts.pdf)

Numerous meetings held in the last 30 days with DHCS, Agency and DMHC focused on a variety of topics, including: call center scripts, data use agreements and provider network adequacy and overlap in the areas of primary and specialty care and dental providers.

Other HFP Transition Issues

Ms. Casillas presented Agenda Item 7.b, Other HFP Transition Issues. Agency hosted several webinars in collaboration with DHCS, DMHC and MRMIB. The Board received these materials, including slides and the first draft of the HFP Transition Strategic Plan Outline. Public comment was solicited on the draft. The final HFP Transition Strategic Plan is due to the Legislature on October 1. MRMIB staff and Mrs. Casillas provided input into the first draft and into a recently released consolidated public document. The Administration also released a report monitoring access to Medi-Cal covered health care services, which available on the DHCS website. Medi-Cal issued this document last year

as a plan to monitor health care access for Medi-Cal beneficiaries in the fee-for-service delivery system.

Other HFP Transition Issues handout can be located at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_091912/Agenda_Item_7.b_Other_HFP_Transition_Issues.pdf

Ms. Casillas reported on Agenda Item 7.b.i, an updated draft of the What We Need to Tell Families Grid. The document reflects staff recommendations to the Board. Version changes include a notation that 30-, 60- or 90-day notices would be tailored to each specific transition group and may need modification based on variables such as subscribers' health and dental plans. For example, a child in Sacramento County with a direct match Medi-Cal health may not have a direct-match Medi-Cal dental plan. Notices will be tailored to deal with these situations to ensure the transferred children receive services.

CMS has asked for the opportunity to review the notices before they are sent to subscribers. The Center for Health Literacy will review the general notice reading level this week. Translations in the 12 Medi-Cal threshold languages are pending. Ms. Casillas indicated that advocates and DHCS supported the plan to translate the notices.

The Grid provides an opportunity for the state to track everything that must be communicated to families and to make balanced decisions about what to communicate when to avoid overloading subscriber families with too much information. Ms. Casillas said staff received more comments on what to include in the notices than on when to include it. Ms. Casillas said that if the goal is to begin the transition January 1, the 90-day notice would need to be sent soon. A well-informed, cautious and thoughtful transition is most important to ensure that families and the community – CAAs, plans and business partners – understand the process and that the agencies involved coordinate resources to provide collaborative and accurate responses to questions.

Mr. Figueroa said that general notices should not replace notices that are specific to a family's situation and that no notices, other than the general notice, should go out before receiving federal approval on the entire transfer process. January 1, 2013 was the beginning date of the transfer and should be regarded as such to ensure that no children are lost in the process.

Katie Johnson said the legislation clearly required 60- and 30-day notices for phase one. She said the Administration is working with a January 1, 2013 date for moving all HFP children in phase one to Medi-Cal and believes that is doable.

Mr. Figueroa said while that was the intent, it may not be feasible and the federal government must approve the transition in advance. Ms. Johnson said the Administration is working collaboratively with MRMIB, DHCS, DMHC and the federal government toward a path for transition approval. Mr. Figueroa said the 90-day notice was preferable to the 60-day notice and reiterated that federal approval would be required before any transition-related notifications were released. Ms. Johnson reiterated the Administration's intended January 1 start date and the expectation that 60- and 30-day notices would be sent prior to that date. Mr. Figueroa noted the transition legislation also required a strategic plan but that not all entities providing input must be in agreement. Ms. Johnson

said that this was correct and that public comments on the strategic plan were due the following day.

Ms. Wu encouraged phasing the first group of 400,000 children in three groups to ensure a smooth transition. Sam Garrison said that he concurred with Mr. Figueroa's previous comments regarding notice timing and noted it was already late September. He emphasized that the transition must be done correctly in the best interests of subscribers.

Chairman Allenby asked if there were any additional questions or comments from the Board or the audience.

Autumn Ogden, representing California Coverage and Health Initiatives (CCHI), the 100 Percent Campaign and United Way of California, voiced support for the general, 90-, 60- and 30-day notices. Her groups were concerned about notification to Certified Application Assistants (CAAs), who are currently flooded with questions from subscribers' families and who are receiving information from various sources, such as physicians and the news media. She stated that she had been told families are canceling major surgeries for fear of losing their coverage. On August 11, CCHI sent a letter to the MRMIB and DHCS transition teams seeking a CAA notification in a formal letter stating that no children will lose coverage and that children will not be moved to Medi-Cal before January 1, 2013. She also requested that the state inform CAAs HFP is still open and ask CAAs to encourage families to apply. Ms. Ogden indicated that the letter also requested that the state provide CAAs with support through a transition liaison, noting the existing toll-free number that can provide additional in-depth assistance.

Ms. Ogden provided copies of the CCHI letter, which also discussed concerns about the differences between HFP and Medi-Cal, including examples of potential issues. She asked whether MRMIB planned to work through the media to help families, noting that CCHI would conduct outreach as well, and suggested disseminating a unified message soon.

Hellan Roth Dowden, representing Teachers for Healthy Kids, said her group was conducting a test in two school districts of a simplified form to help families understand they would not lose coverage for their children and to provide them with a phone number to call for information. She provided a copy to the Board. She also provided the Board with a chart depicting research on the number of Denti-Cal eligible children by county, Denti-Cal general dentists, eligible patients per dentist and HFP enrollment. The research showed that few counties met the Denti-Cal requirement of one dentist per 2,000 patients. She told the Board that Denti-Cal officials told her not all dentists are on the list. However, she voiced concern regarding the enrollment scenario described by Ms. Johnson and noted that, in her 13 years of experience in HFP back-to-school enrollment, many families seek HFP coverage specifically for dental services. Teachers for Healthy Kids is very concerned regarding access to dentists and pedodontists in Medi-Cal and questioned how the dental needs of the transitioned children would be met when, for a January 1 transition, the 60-day notices must go out November, on the same day the California Health and Human Services Agency must notify the Legislature of network adequacy.

Mr. Figueroa said he assumed interested parties would receive a public list of Medi-Cal health and dental providers by plan to demonstrate access. Ms. Dowden said dental

services would be going backward with the transition and there is no incentive for dentists to become Denti-Cal providers. She asked how the state would know how many patients each dentist will agree to serve. She said the information she provided would help in making judgments about the availability of dentists.

Mr. Figueroa said he assumed the federal government would want to see a demonstration of network adequacy and stated that family-specific notices should not go out to HFP subscribers before the federal government has completed its process.

Ms. Casillas stated that MRMIB would obtain a complete packet of materials from Ms. Roth Dowden and would post these materials on its website.

Serena Kirk, representing the Children's Defense Fund and the Children's Coverage Coalition, testified the coalition is concerned with provider access and understands that provider capacity studies are underway in both Medi-Cal Managed Care and dental care. Her group appreciated the opportunity to review the dental survey and is hoping to review the results of data requests sent to plans. She asked how the Board planned to stay involved and whether its staff is involved in reviewing the plans and surveys, and ensuring that there are able and willing providers to serve the former HFP subscribers in Medi-Cal. She expressed the hope that MRMIB would remain a strong partner and ally and continue as part of the transition process and conversation until access to providers and care is demonstrated by DHCS.

Ms. Kirk expressed concern over the assumption that network adequacy will be demonstrated by the November 1 deadline for reporting to the Legislature. She noted that she was not aware of a contingency plan in the event that network adequacy is not proven. She asked how an assessment that there is insufficient access to care would influence the start or continuation of the transition and expressed hope that MRMIB and other stakeholders would play a role. She also stated that the state's draft strategic plan lacks specific criteria addressing how the Administration will evaluate and monitor network adequacy and access, and reiterated her organization's strong support for MRMIB's continued involvement in the transition process to demand assurances that the former HFP children have providers in place when they need care. She indicated that her organization has similar concerns to those raised by Mr. Figueroa, and that her organization's concerns about access go hand-in-hand with concerns about the aggressive transition timeline. She noted the complexities of assessing network adequacy, potential IT data sharing challenges, potential delays in federal approval, and the need for sufficient provider and enrollee notice. She concluded that the transition should be done right and not rushed and stated that rushing the transition would not achieve further savings. Chairman Allenby assured Ms. Kirk that the Board would stay involved.

Diane Van Maren, representing Senate President Pro Tem Darrell Steinberg, said the legislation that transitioned HFP children to Medi-Cal was drafted at the 11th hour as part of an extremely difficult budget decision. The Legislature tried to do its best to establish a process and to recognize MRMIB's expertise as an excellent partner for many years in operating HFP and its other programs. The Legislature also recognized the expertise of DMHC and DHCS and of the California Health and Human Services Agency as the "glue" holding together the partnerships surrounding the transition.

The Legislature's number one concern is to ensure that children have continuity of care, and that parents know what processes and procedures to follow and have time to take those actions. Health plans must have clarity to provide expert pediatric services and the desire to work with families of transitioning HFP children. The legislation was very specific to provide four phases with a beginning time frame for each phase; an end time frame was intentionally not stipulated. The legislation required the California Health and Human Services Agency to provide a comprehensive strategic plan and required that the transition begin no sooner than January 1, 2013, with no end date. Phases will have nuances based on geographic and provider availability issues.

Ms. Van Maren stated that the legislation requires federal approval. She stated that the process involved a waiver, Medicaid funding and CHIP funding, and acknowledged that the issues involved could become complex. She noted the need for federal guidance and partnership and the need to ensure that the state does not put federal financial participation at risk. She noted the federal government's concern about provision and continuity of care. Ms. Van Maren noted that, and as an additional safeguard, the legislation permits a child to receive HFP coverage for more than 12 months. She stated that the intent of the legislation is clear and supports continuity of care, partnership, the strengths and expertise of the state departments involved, the advocates, health plans and other partners. She emphasized using the strengths of all groups involved to ensure a comprehensive strategic plan and reiterated that the Legislature deliberately did not include end dates for the transition.

Ms. Van Maren also noted that President Pro Tem Darrell Steinberg and Speaker John Perez sent a letter in August to Secretary Dooley reiterating the Legislature's desire to work together with the Administration to ensure no children are put at risk during this significant transition.

Kelly Hardy, representing Children Now and the 100 Percent Campaign, said that a recently released report by the California HealthCare Foundation described lessons learned in the SPD (Seniors and Persons with Disabilities) program transfer of 240,000 individuals, including the need for better communication with enrollees and providers and the need to tailor subscriber notices. She asked for an update on progress in interfacing MAXIMUS's computer systems with county systems and asked whether the MAXIMUS system can be modified for Medi-Cal income calculations. Ms. Casillas said that a work group headed by DHCS' IT division is collaborating with MAXIMUS and others to find the most efficient means of transmitting data. Maximus will be required to conduct system changes, particularly in the area of Single Point of Entry, where children will be screened up through and including 250 percent FPL. Chairman Allenby added that parties to the transition would communicate conclusions with interest groups as they occur.

Ms. Hardy also expressed a concern that the plan to track whether families are meeting the five percent cost sharing cap may be inadequate for purposes of Maintenance of Effort as well as for ensuring that families do not pay more than they need. She asked whether the 10,000 enrollment decline in HFP between June and August was part of an annual trend, and expressed hope that all parties involved work to publicize that HFP is still open for enrollment. Finally, she expressed concern that assessments of provider adequacy could become outdated as soon as Medi-Cal provider reimbursement rates are finalized.

Beth Abbott, representing Health Access, said that her organization was very concerned about the expedited transition timeline because network adequacy has not been closely monitored in the past and the provider networks in Medi-Cal and HFP are very different. Having California children lose access to health care would not serve the state's implementation of the Affordable Care Act. She stated that discussions suggest the transition and timeline appear to be budget-driven and that decisions are driven by DHCS. She urged the Board to adopt Mr. Figueroa's suggestion that the transition be done properly and not in too accelerated a manner; this would not be a service to HFP families, to MRMIB or to its staff. Chairman Allenby assured Ms. Abbott that the Board would speak out when needed.

Shelley Rouillard said plans' networks are being submitted to DMHC and are being analyzed for network adequacy. She said results would be shared with DHCS. Mrs. Abbott asked that the determinations also be shared publicly and Mr. Figueroa noted that these determinations must be shared with the federal government as part of its decision-making process.

Ms. Abbott said she believed that DMHC has been too willing to take plans' views on network adequacy until recently, when DMHC provided Health Access with a prototype of what plans are required to submit to demonstrate network adequacy. She said past meetings with DMHC and plans indicated that, in the past, plans were not required to share their network adequacy standards with DMHC and that plans historically have fought regulation in this area.

Mr. Figueroa noted that the data provided by Ms. Dowden will allow for comparison with network adequacy data provided by DMCH, and this will allow for public discussion.

Chairman Allenby asked if there were any further questions or comments from the Board of audience. There were none. He described the discussion as illuminating and said the process will arrive at the appropriate place at the appropriate time.

The grid entitled "What We Need to Tell Families" is located here:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_091912/Agenda_Item_7_b_%28i%29_Tell_Families_Grid.pdf

Ms. Casillas reported on Agenda Item 7.b.ii, Transition of HFP Children to Medi-Cal MRMIB Recommended Transition Plan Phase I – Direct Plan Match. The map provided supports the staff recommendation to move HFP children in smaller subgroups. She expressed concerns about moving 400,000-plus children from HFP to Medi-Cal on one day and referred to staff's recommendation to proceed in sub-phases. She indicated that HFP-contracted health plans, local initiatives, county-organized health systems, the California Association of Health Insuring Organizations (CAHIO), the California Primary Care Association (CPC), Maximus also support the use of sub-phases, as does the DHCS IT staff, from the perspective of the demand on IT systems.

Input on the recommendation indicates focus should be at the county level to reduce confusion and send a clear message. The map shows the transition of 411,000 children in phase one over a three-month period before the start of phase two. The children are equally divided into three parts to achieve the three sub-phases and counties are

color-coded by sub-phase. The document breaks down enrollment by county, plan, transition phase and month. Adjustments can be made in the grouping of counties.

The sub-phased transition option eases confusion, provides efficiencies for local initiatives and county-organized health systems and aligns with comments from CPCA, HFP-contracted health plans and CAHIO.

Chairman Allenby asked if there were any questions or comments from the Board or the audience.

Mr. Garrison said he supported the sub-phased proposal and said the healthcare community in Southern California is in agreement with this proposal. He said the idea of moving more than 400,000 children on a computer system basis is concerning while the sub-phased approach allows for adjustments when problems arise so no children are disenfranchised and the process is done correctly. Mr. Figueroa said he wished to associate himself with Mr. Garrison's remarks.

Ms. Abbott expressed concern about transitioning 411,000 children in the first month and stated that this was an excessive number. She stated that breaking the transition into smaller groups is advisable from the perspective of children and plans, and from the perspective of computer systems. She suggested that San Bernardino and Riverside counties – the Inland Empire – be moved together because it is considered one market area and plans and providers there serve people in both counties.

Chairman Allenby said adjustments in county groupings may be needed in other markets within the state. Ms. Abbott agreed and said it is not just strictly numbers of children, but its practice patterns and other similarities.

Ms. Kirk supported the sub-phase approach proposed by MRMIB, saying that this approach would allow for corrections of issues as they arise and ensure a good transition for the children. Mr. Figueroa said that he liked the idea because it allows for re-calibration based on experience. Chairman Allenby said there could be unintended consequences that would need to be dealt with. Mr. Figueroa added that there could also be IT problems and noted the recent experience of the SPD transition.

Ms. Kirk said Ms. Van Maren's earlier comments noting that the legislative language provided no transition end dates supports the proposed sub-group phase as a way to deal with problems as they arise. Mrs. Wu said that it would be very challenging to deal with issues that arise with the transition of more than 100,000 children in a month and that perhaps the second sub-group should be pushed out to learn from the experience of the first sub-group. She stated that more corrections might be needed between the first and second subgroup than between the second and third sub-groups. Ms. Casillas explained that her proposal works within the overall construct of legislation; otherwise, she would have proposed that no more than 100,000 children be transitioned in a month with one month intervals for adjustments between transition groups.

Mr. Figueroa noted that Ms. Van Maren's comments alluded to the potential for flexibility within the transition process.

Ms. Van Maren stated that this was a fair characterization of what she had said, and stated that the intent of the legislation was to have as much in place as possible, including network adequacy and appropriate notification of families with the 30-, 60- and 90-day notices. She discussed the need for appropriate planning behind the strategic plan as well as time to review the plan. That was the rationale behind the October 1 strategic plan due date negotiated with the Administration. A substantive change such as the transition of the HFP children to Medi-Cal creates a learn-as-we-go situation and the need to make course corrections. She referenced Ms. Wu's earlier key points concerning the need to do a little and then make course corrections. She reiterated that there were start dates but no end dates, and that HFP children could be enrolled for more than 12 months to assure coverage through the transition. She suggested that the strategic plan include a "continuous quality improvement" concept with touchstones and the opportunity for feedback from plans, regional areas, advocacy groups and localities.

Ms. Van Maren indicated that the letter sent by Senator Steinberg and Speaker Perez to Secretary Dooley clearly stated the Legislature's intent that the transition be done well and that, if more time is needed, it should be taken with course corrections made as needed; she stated that the transfer should be made based on readiness.

The MRMIB Recommended Transition Plan Map can be found here:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_091912/Agenda_Item_7_b_%28ii%29_Transition_Plan.pdf

EXTERNAL AFFAIRS UPDATE

Ms. Esajian reported on Agenda Item 8, the External Affairs Update. The last 30 days were a very light media period, with the primary focus being the transition of HFP children to Medi-Cal. The report details other requests.

Chairman Allenby asked if there were any questions or comments from the Board or the audience. There were none.

The document on the External Affairs Update is located at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_091912/Agenda_Item_8_External_Affairs_Update.pdf

STATE LEGISLATION

Update on State Legislation

Ms. Esajian reported on Agenda Item 9.a, Update on State Legislation. Many bills reported to the Board during the year died at the end of the two-year session. The report reflects final actions by the Legislature. Notable among the bills that died were the three MCO tax extension attempts mentioned earlier, the Basic Health Program, bills that dealt with workforce development and training, Medi-Cal eligibility and several ACA-related issues or measures. Of the Knox-Keene bills monitored, all but three were enrolled. The Governor has until September 30 to sign or veto bills. The Governor has already vetoed one of the bills monitored for the Board. This is AB 823, which would have established the California Children's Coordinating Council to advise and recommend to the Governor and the Legislature ways to improve collaboration among state agencies and

departments providing services to children. Staff will present a final legislative actions report detailing the Governor's actions on these bills at the October Board meeting.

Ms. Esajian also noted MRMIB staff will closely monitor the Governor's announcement that he intends to call a special session on Affordable Care Act implementation.

Chairman Allenby asked if there were any questions or comments from the Board or the audience. There were none.

The State Legislative Report is located at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_091912/Agenda_Item_9_a_Update_on_State_Legislation.pdf

AB 1526 (Monning): MRMIP – Subscriber Premium Subsidy

Ms. Esajian reported on Agenda Item 9.b, AB 1526 (Monning): MRMIP – Subscriber Premium Subsidy. As originally introduced, AB1526 would have given the Board authority to eliminate the annual and lifetime benefit caps for the Major Risk Medical Insurance Program without increasing premiums to account for these benefit changes. An earlier version of AB1526 also would have allowed for the use of a licensed healthcare provider letter as proof of a pre-existing condition. Feedback from the Department of Finance led to bill amendments since the last Board meeting; the amendments achieve subscriber relief in another way. As enrolled, the bill allows the Board to reduce subscriber premiums from the current 125-137.5 percent of individual market standard rates down to a low of 100 percent of individual market standard rates instead of eliminating benefit caps. If signed by the Governor, the measure would go into effect January 1, 2013.

Chairman Allenby asked if there were any questions or comments from the Board or the audience. There were none.

PRE-EXISTING CONDITION INSURANCE PLAN (PCIP) UPDATE

Enrollment Report

Anjonette Dillard, former Eligibility, Enrollment and Marketing Division Manager, made her final report to the Board. Ms. Dillard accepted a position at the Health Benefit Exchange. She thanked the Board for its service and for the many opportunities she had working in its employ.

Ms. Dillard presented Agenda Item 10.a, the PCIP Enrollment Report. PCIP enrollment reached 13,565 as of September 18, 2012. There were 1,107 new enrollees in the month of August. California's official enrollment as of July 31, 2012, according to the national listing, was 11,118.

Chairman Allenby asked if there were any questions or comments from the Board or the audience. There were none.

The PCIP Enrollment Report is located at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_091912/Agenda_Item_10_a_PCIP_Enrollment_Report_for_August_2012.pdf

Administrative Vendor Performance Report

Ms. Dillard reported on Agenda Item 10.b, the PCIP Administrative Vendor Performance Report. The administrative vendor met all contracted performance standards.

Chairman Allenby asked if there were any questions or comments from the Board or the audience. There were none.

The PCIP Administrative Vendor Performance Report is located at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_091912/Agenda_Item_10_b_PCIP_Adm_Vendor_Board_Report_August_2012.pdf

Third Party Administrator Performance Report.

Mary Watanabe reported on Agenda Item 10.c, the PCIP Third Party Administrator Performance Report. The third party administrator Health Now Administrative Services met all performance standards for the month of August.

Chairman Allenby asked if there were any questions or comments from the Board or the audience. There were none.

The PCIP Third Party Administrator Performance Report can be found at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_091912/Agenda_Item_10_c_TPA_Performance_Report.pdf

Utilization Reports

Ms. Watanabe reported on Agenda Item 10.d, the PCIP Utilization Reports. The report includes the second quarter of 2012 (April through June) and information from program inception to date. In both reports, inpatient services account for approximately 51 percent of payments, outpatient services for approximately 41 percent and prescriptions for approximately 8 percent. The top diagnoses, procedures and prescriptions as a percentage of payments continued to be for conditions related to cancer and heart disease.

Morbid obesity is now among the top diagnosis categories, according to the second quarter report. Prior reports also have included this diagnosis, and it mostly appears in relation to a single, high-cost claim subscriber. Morbid obesity moves in and out of the top diagnosis categories. The program also saw a slight increase in generic drug usage for the second quarter, moving from 75 percent to 77 percent.

Chairman Allenby voiced his amazement that, although generic drugs account for approximately 75 percent of usage and brand name drugs for only 25 percent, the costs are exactly the reverse: 25 percent for generic drugs and 75 percent for brand name.

Ms. Watanabe said she was glad to see generic drug usage increase slightly. The top three diagnosis categories for inpatient hospitalization continue to be related to cancer, pregnancy and heart conditions.

Chairman Allenby asked if there were any questions or comments from the Board or the audience. There were none.

The PCIP Utilization Reports can be found at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_091912/Agenda_Item_10_d_%20Utilization_Reports.pdf

Utilization Fact Sheet: Heart Disease

Ms. Watanabe reported on Agenda Item 10.e, the PCIP Utilization Fact Sheet: Heart Disease. One in five PCIP subscribers has received treatment for heart disease or a heart-related disorder since program inception. The most common subscriber heart-related disorders are coronary atherosclerosis (the buildup of plaque in the arteries) and high blood pressure. Subscribers aged 9 to 89 were treated for a heart-related condition, with 54 percent of those treated male and 46 percent female. Total claims paid for heart-related disorders were \$28.9 million: 62 percent for inpatient services, 16 percent for outpatient and 22 percent for pharmacy claims.

Chairman Allenby asked if there were any questions or comments from the Board or the audience. There were none.

The PCIP Utilization Fact Sheet: Heart Disease can be found at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_091912/Agenda_Item_10_e_Utilization_Fact_Sheet_Heart_Disease.pdf

Implementation of Facsimile Application & Electronic Payment

Ms. Dillard presented Agenda Item 10.f, the PCIP Implementation of Facsimile Application & Electronic Payment. PCIP has new program features that allow subscribers to fax in applications and make payments electronically. PCIP applicants were able to fill out an application online, print it out, sign and fax it to PCIP since September 5. Although the application was available online, it could only be printed out and filled in by hand prior to that date. After printing out the completed application, users now are prompted to the next stage of the process that allows them to make an online payment using a Visa credit or debit card, MasterCard or Discover card. This latter feature has been available since September 14 and is provided through Bank of America.

A phone-in service is available for applicants who are unable to fill out the application themselves. A PCIP staff member will fill out the online application for the applicants and send it to them for signature.

Ms. Casillas said these new services were innovations made possible by dedicated staff and vendor. Agents and brokers suggested the idea. The short life-span of PCIP made it not cost effective to develop an application that could be completely filled in and submitted online. However, the facsimile application is a good alternative. Ms. Casillas said she was not aware of the call-in application option when staff took the initiative and commended staff for taking the initiative to better serve customers.

Facsimile applications totaled 160 since September 5, with 31 of those accepted for enrollment. Another 100 continuing subscribers used the electronic payment option.

A total of 312 continuing subscribers are using the online banking option to make monthly premium payments. A total of 32 subscribers used the interactive voice response system via telephone to make premium payments since September 14, and one person used the call-in phone option to complete the application process. Subscribers who inadvertently make their premium payment check out to the wrong party are now assisted by another new option. Phone calls to applicants give them the opportunity to make an immediate online payment to avoid the risk of being disenrolled due to late payment.

Chairman Allenby asked if there were any questions or comments from the Board or the audience. There were none.

Other Program Updates

Ms. Casillas said PCIP outreach activities were concluding. Enrollment is booming and the California program has surpassed all other states in enrollment. The year 2013 will be the last year for claims.

Chairman Allenby asked if there were any questions or comments from the Board or the audience. There were none.

MAJOR RISK MEDICAL INSURANCE PROGRAM (MRMIP) UPDATE

Enrollment Report

Sarah Soto-Taylor reported on Agenda Item 11.a, the Major Risk Medical Insurance Program Enrollment Report. As of September 1, 2012, 171 new individuals enrolled in the program for a total enrollment of 5,858, well within the MRMIP enrollment cap of 8,000. There were 295 applications during the month of August and 167 disenrollments. A total of 19 individuals were on the waiting list due to deferred enrollment. The majority of enrollment is concentrated in Kaiser South, representing 40.7 percent of subscribers. A total of 28.2 percent of enrollment is in Los Angeles County.

There were no notable changes in demographics from the previous month. The majority of population was female, Caucasian and age 50 to 64. The agenda item also includes the enrollment and disenrollment trending chart, and the July 2012 statistical summary report.

Chairman Allenby asked if there were any questions or comments from the Board or the audience. There were none.

The MRMIP Enrollment Report is located at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_091912/Agenda_Item_11_a_MRMIP_Board_Report_Summary_for_July_2012.pdf

Administrative Vendor Performance Report

Ms. Soto-Taylor reported on Agenda Item 11.b, the MRMIP Administrative Vendor Performance Report. The administrative vendor met all performance standards for eligibility determination and all toll-free performance standard measures. July 2012 performance report was also provided.

Chairman Allenby asked if there were any questions or comments from the Board or the audience. There were none.

The MRMIP Administrative Vendor Performance Report can be found here:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_091912/Agenda_Item_11_b_MRMIP_Adm_Vendor_Perf_for_July_2012_.lnk.pdf

2011-12 Fourth Quarter Financial Report

Amanda Evans presented Agenda Item 11.c, the MRMIP 2011-12 Fourth Quarter Financial Report for the quarter ending June 30, 2012. The July 1, 2011 beginning balance was \$17.1 million. Revenues received were \$33.1 million and there were \$25.3 million in actual expenditures through June 30, 2012, with a remaining fund balance of \$24.8 million. The remaining balance will be used for plan and additional vendor payments for 2012-13.

Chairman Allenby asked if there were any questions or comments from the Board or the audience. There were none.

The MRMIP 2011-12 Fourth Quarter Financial Report can be found here:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_091912/Agenda_Item_11_c_Major_Risk_Medical_Insurance_Fund.pdf

Other Program Updates

No Other Program Updates were presented to the Board.

HEALTHCARE REFORM UNDER THE AFFORDABLE CARE ACT

Ms. Casillas said staff has continued to collaborate with the Exchange on the development of the CalHEERS system, marketing strategies and outreach activities.

Chairman Allenby asked if there were any questions or comments from the Board or the audience. There were none.

HEALTHY FAMILIES PROGRAM (HFP) UPDATE

Enrollment and Single Point of Entry Report

Larry Lucero reported on Agenda Item 13.a, the HFP Enrollment and Single Point of Entry Report. At the end of August 2012, there were 863,000 children enrolled in the program, 21,476 new subscribers. There were no significant changes in demographics and Health-e-App-submitted applications increased by 4 percent over the previous month.

Chairman Allenby asked if there were any questions or comments from the Board or the audience.

Ellen Wu asked staff to compare current enrollment to that of past years in response to a previous speaker's comment that HFP enrollment had declined. Ms. Casillas said staff does not yet have an analysis, but could report to the Board next month. She said the focus of Mr. Lucero's report was the growth of electronic versus paper applications.

Mr. Figueroa pointed out that enrollment statistics over time were included in the Enrollment Report and it does show a decline in August that appears closer to a 2010 decline than to a 2011 decline, the latter of which was smaller than the current enrollment decline. The 2011 decline was not as large. There is typically an enrollment increase when school starts in the fall. Both he and Ms. Casillas noted the work of Ms. Dowden and Teachers for Healthy Kids in enrolling children in HFP when school resumes in September.

The HFP Enrollment and Single Point of Entry Report can be found at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_091912/Agenda_Item_13_a_HFP_August_2012_Summary.pdf

Administrative Vendor Performance Report

Mr. Lucero reported on Agenda Item 13.b, the HFP Administrative Vendor Performance Report. The administrative vendor met or exceeded all Single Point of Entry and HFP performance standards for quality and accuracy for August, 2012.

Chairman Allenby asked if there were any questions or comments from the Board or the audience. There were none.

The HFP Administrative Vendor Performance Report can be found at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_091912/Agenda_Item_13_b_HFP_Admin_Vendor_QA_2012_08.pdf

Authorization for Health Plan and State Supported Services Contract Amendments and Extensions for Community Health Plan and Blue Shield of California

Chairman Allenby said Agenda Item 13.c required Board action on two resolutions. He asked for action to adopt the two resolutions included as Agenda Item 13.c.i and 13.c.ii, authorizing Health Plan and State Supported Services contract amendments and extensions for Community Health Plan and Blue Shield of California. The Board unanimously approved the motion.

The Resolution for Contract Amendments and Extensions for CHP and Blue Shield can be located here:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_091912/Agenda_Item_13_c%28i%29_%28ii%29_HFP_Resolutions.pdf

Advisory Panel Update

Jack Campana reported on Agenda Item 13.d, the HFP Advisory Panel Update. The transition was the main topic of the Panel's August 14 meeting. He reiterated the Panel's concerns regarding network capacity and timing. He said HFP had never recovered to its 900,000 enrollment level after the program was closed for two months in late 2009

because of funding. Potential subscribers still thought the program was closed even after it reopened for enrollment. The Panel expressed concern that the transition could lead people to think HFP was not taking new enrollment, resulting in children not obtaining needed HFP coverage.

Mr. Campana said the Panel was pleased that it would continue in its advisory role within DHCS. He also indicated the panel's interest in continuing transition discussions with both MRMIB and DHCS, and that the panel was supportive of stakeholder discussions at the Board's public meetings and with MRMIB staff. He conveyed the Panel's request that a DHCS representative attend its November 13 meeting to answer questions and to assist the Panel in maintaining accurate communications with its constituencies.

Chairman Allenby said a DHCS representative would be asked to attend the Panel's November meeting.

The HFP Advisory Panel Update document is located here:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_091912/Agenda_Item_13_d_HFP_Adv_Panel_letter_to_MRMIB_9_19_12.pdf

Health-e-App Update

Larry Lucero presented Agenda Item 13.e, the HFP Health-e-App Update. The program launched phase three of the Health-e-App public access project on July 30, 2012. The first two phases included launch of the initial application in English (December 2010) and Spanish (January 2011). Phase three included the Annual Eligibility Review form to re-qualify children for HFP and the Add-A-Person form to add a child to an existing HFP account. Other improvements included the Continued Enrollment form to continue a child's eligibility while disputing a decision by HFP and the Program Review form used to appeal the decision.

These forms are accessible after an applicant creates a Health-e-App or "dashboard" account that links the applicant to the HFP information. The process provides users with forms that are auto-populated so applicants only have to review and make corrections. A Certified Application Assistant (CAA) can also benefit from these features. Promotion of the phase three launch was through CAA newsletters, call center public service announcements, subscriber billing statements and other subscriber communications, on the HFP website, through call center scripts and in messaging to Health-e-App logging into their accounts. The state also provided outreach to county welfare. Staff expects to repeat the same activities for the Spanish language launch.

Since the July 30 launch, new program components submissions totaled: 868 eligibility reviews, 257 Add-a-Person forms, 333 Program Review forms and 79 Continued Enrollment, the latter by both CAAs and the public. The majority of these users were public users. After these reports are finalized, additional work will follow on post-implementation review issues. Follow-up issues include the Spanish-language launch and the launch of One-e-App in English and Spanish. Mr. Lucero thanked the team comprised of MAXIMUS Solutions and MRMIB for their work.

Chairman Allenby asked if there were any questions or comments from the Board or the audience.

Ms. Casillas thanked the foundations for their financial support of the Health-e-App projects. She said One-e-App, the Health-e-App, applications in English and Spanish and the Annual Eligibility Reviews have made a big difference in HFP. She commended all who worked on the projects.

2010-11 Grievance Report

Kanika Randel reported on Agenda Item 13.f, the HFP 2010-11 Grievance Report. HFP requires contracted health, dental and vision plans to report grievances filed by subscribers annually to the Board. For the reporting period, there were approximately 3,500 grievances from nearly 900,000 subscribers. HFP plans are continuing to improve over the last four years as evidenced by the decline of subscriber grievances from 57 to 36 per 10,000. The leading category of grievance continues to be quality of care and claims. Quality of care claims are the highest by category among health plans; benefits/coverage and quality of care are the highest for dental plans; and benefits and other grievances are the highest among vision plans. Health plan grievances accounted for approximately 75 percent of all grievances. The average rate of health plan grievances decreased from 37 to 30 per 10,000 from 2010 to 2011. Anthem/Blue Cross, L.A. Care, Health Net and Santa Clara reported fewer grievances in 2011; this change contributed to the decline in overall health plan grievances. Overall and by individual plans, the data showed that whites and English speakers had a higher grievance rate.

Chairman Allenby asked if there were any questions or comments from the Board or the audience.

Ms. Wu said she had the honor of sitting on the Quality Advisory Committee and said that MRMIB overall and HFP in particular release some great reports on quality, grievances and other issues. She voiced her hope that this level of reporting continues as HFP transitions to Medi-Cal and that Medi-Cal adopts some of MRMIB's best practices. Ms. Casillas said that DHCS has indicated that it would conduct consumer surveys to address quality, access and other issues.

Ms. Casillas said the smaller number of grievances demonstrates that the HFP plans are doing a very good job. Additional grievances reported through the Department of Managed Health Care hotline are not included in the report.

The HFP 2010-11 Grievance Report can be found here:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_091912/Agenda_Item_13_f_2010_11_Grievance_Report.pdf

Other Program Updates

No Other Program Updates were presented to the Board.

ACCESS FOR INFANTS AND MOTHERS (AIM) UPDATE

Enrollment Report

Ernesto Sanchez reported on Agenda Item 14.a, the AIM Enrollment Report. A total of 813 new AIM mothers enrolled in August. So far this year, approximately 1,600 new

mothers enrolled for a total of approximately 7,100. There were no significant changes in ethnicity and demographics of subscribers. The top 18 counties of enrollment account for nearly 87 percent of enrollment. Blue Cross, through its two product lines, provides services to about 82 percent of our subscribers.

Chairman Allenby asked if there were any questions or comments from the Board or the audience. There were none.

The AIM Enrollment Report is located at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_091912/Agenda_Item_14_a_AIM_Aug_2012_summary.pdf

Administrative Vendor Performance Report

Mr. Sanchez reported on Agenda Item 14.b, the AIM Administrative Vendor Performance Report. The administrative vendor continued to meet all performance requirements and quality assurance requirements in the month of August and July.

Chairman Allenby asked if there were any questions or comments from the Board or the audience. There were none.

The AIM Administrative Vendor Performance can be found here:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_091912/Agenda_Item_14.b_AIM_Admin_Vendor_Perf_August_2012_Summary.pdf

2011-12 Fourth Quarter Financial Report

Ms. Evans reported on Agenda Item 14.c, the AIM 2011-2012 Fourth Quarter Financial Report for the period ending June 30, 2012. The beginning fund balance on July 1, 2011, was \$14 million. Total revenues received this year were \$55.2 million. Expenditures through June 30, 2012, were \$50.8 million, leaving a fund balance on June 30, 2012, of \$18.4 million. The remaining balance will be used for costs in the 2012-13 year.

Chairman Allenby asked if there were any questions or comments from the Board or the audience. There were none.

The AIM 2011-12 Fourth Quarter Financial Report can be found here:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_091912/Agenda_Item_14.c_Perinatal_Insurance_Fund.pdf

Other Program Updates

No Other Program Updates were presented to the Board.

The meeting was adjourned at 1:23 p.m.